



State of Utah

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# DWS News Release

For 9:00 a.m. Release

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## UTAH'S EMPLOYMENT SITUATION: May 2006

Utah's number of non-farm wage and salaried jobs registered a year-over increase of 4.5 percent for May 2006. Approximately 51,700 new jobs have developed in the Utah economy over the past year, raising total wage and salary employment in Utah to 1,191,200. This rate of employment growth keeps Utah within the top five states nationwide for employment growth. The last time Utah experienced an employment growth rate in the mid 4-percent range was in early 1997.

Utah's other primary indicator of current labor market conditions, the seasonally-adjusted unemployment rate, registered 3.5 percent in May, down 0.9 percentage points from the unemployment rate of 4.4 percent registered a year ago in May, 2005. Approximately 45,800 Utahns were unemployed in May, 2006 as compared to 55,100 in May, 2005. April's unemployment rate is unrevised at 3.5 percent.

Mark Knold, Senior Economist for the Department of Workforce Services commented, "There is no other way to say it. Utah's economy is booming. The twin indicators of high employment growth and low unemployment signal an economy running on all cylinders. How long does this last? Utah's internal fundamentals are such that it could be a multi-year run. From the current perspective, the risk of a slowdown is not so much a faltering in consumer demand or business investments. Instead, a lack of skilled workers is the economy's biggest hurdle right now."

Since May 2005, the United States' economy has added 1.9 million new jobs—a growth rate of 1.4 percent. The approximately 51,700 new jobs in Utah represent a growth rate of 4.5 percent, and that represents about 2.7 percent of all the new jobs added in the United States over the past year. The United States' unemployment rate registered 4.6 percent in May.

All employment sectors in Utah continue to add new jobs. In addition to this growth, none of those sectors are showing any signs of weakening. This ranges from a high of 11,800 new jobs over the past year in the construction sector, to 800 new jobs in the small category labeled "other services." Professional and business services added 11,600 new jobs over the past year, so in combination with the construction industry, these two sectors account for just under half of all the new jobs created in Utah over the past year.

### **Utah Labor Market Indicators May 2006**

**Employment Growth: 4.5%**  
**Employment Increase: 51,700**  
**Unemployment Rate: 3.5%**

### **United States**

**Employment Growth: 1.4%**  
**Unemployment Rate: 4.6%**

The rate of construction growth is quite remarkable in Utah. The 11,800 new jobs represent a 14.6 percent increase over last year. This is a very high rate of employment growth, and is all the more remarkable in the face of the cries of labor and material shortages. Construction employment growth rates this high in Utah are not uncommon, as in the early to mid 90s, Utah's construction industry consistently had growth rates this high or higher. Although there will be ebbs and flows in this industry as the years move forward, Utah's internal demographic composition suggests this industry will remain strong. The children of Utah's Baby Boom population—the Echo Boomers—are the largest population group in the state. This is a group ranging from 20 to 35 years of age. They are now, and will be over the next 10 years, forming families and households. In turn, this activity will continue to put a high demand on housing construction here in Utah, let alone schools, churches, and more retail establishments. Add to this a second straight decade of continued domestic and international in-migration into Utah.

The other strong pillar of the Utah economy is the 8 percent employment growth in the professional and business services sector that added 11,600 new jobs. The strength behind this number is that half of these new jobs are in the higher-paying professional, scientific, and technical services. These are the high-paying jobs that all economy watchers say Utah needs for its long-term economic success.

Trade, transportation, and utilities added 7,600 new jobs to the Utah economy over the past year—a growth rate of 3.4 percent. The trade aspect of this industry represents the most direct avenue and conduit with consumer spending. When people buy consumer goods, in most cases it is through retail outlets. Therefore, the trade aspect is very population-sensitive. It largely grows in direct response to population growth. Recent sales reports show strong retail sales activity in Utah. Strong Utah employment growth and rising wages translate into more dollars to spend, which in turn, is fueling Utah's retail trade traffic, which produces more retail trade employment.

Government is a large employment sector in Utah, and it is currently the slowest growing. Its addition of 2,800 new jobs over the past year is not the lowest number of new jobs added by industrial sector, but its growth rate of 1.4 percent is the lowest. Government is classified into three groups—federal, state, and local. Whereas federal employment is not reactive to Utah's population size, state and local governments are. As population increases, that growth produces an increased demand for government services, particularly within the education system. Since 2000, Utah's population has grown by over 13 percent. Correspondingly, combined state and local government employment has grown by 10 percent since 2000. This government growth rate lagging population growth suggests increased use of technologies and resulting efficiencies within Utah's governmental structure.

**Utah's June employment numbers will be released at 9:00 a.m. on Tuesday, July 18, 2006.**

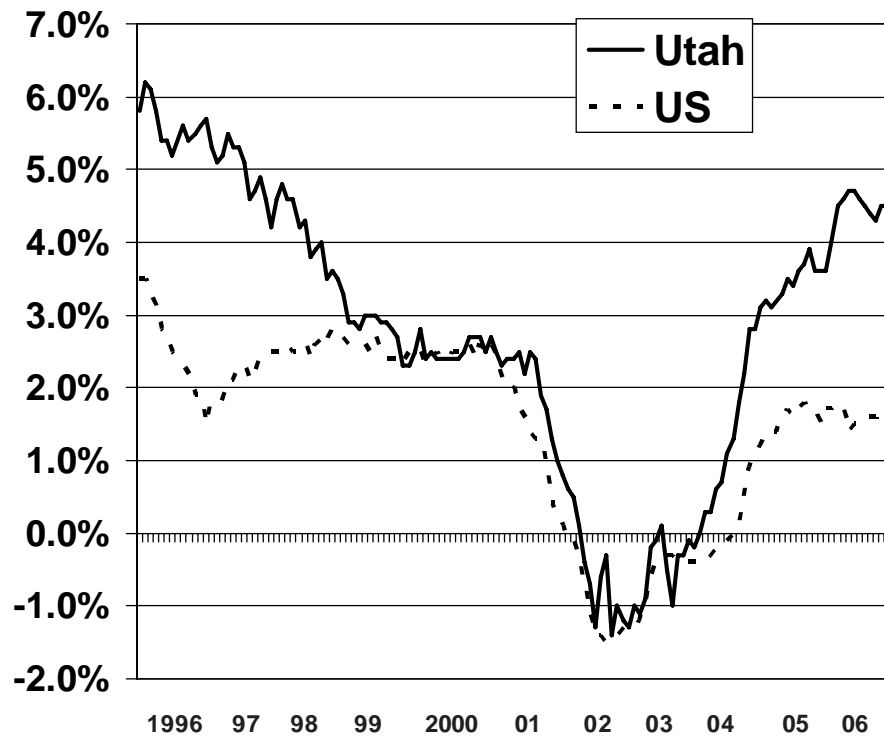
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## Utah Nonagricultural Jobs by Industry and Components of the Labor Force

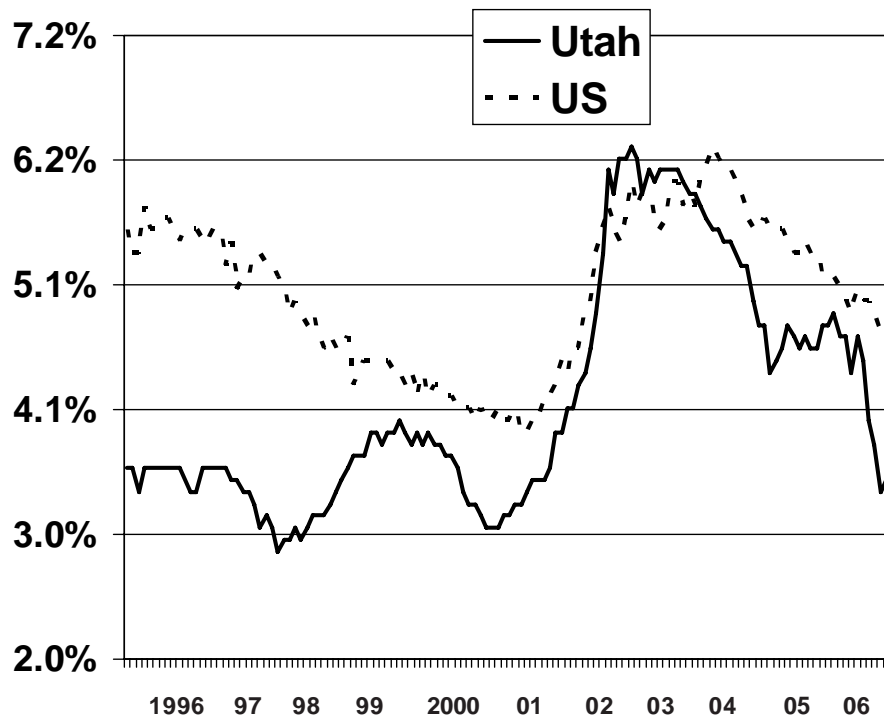
Numbers are in thousands and are <u>not seasonally adjusted.</u>	May(f) 2006	May 2005	Percentage Change	April(r) 2006	April 2005	Percentage Change
<b>CIVILIAN LABOR FORCE</b>	<b>1,309.8</b>	<b>1,259.4</b>	<b>4.0</b>	<b>1,304.8</b>	<b>1,258.7</b>	<b>3.7</b>
Employed	1,266.6	1,206.0	5.0	1,260.7	1,204.9	4.6
Unemployed	43.2	53.4	-19.1	44.1	53.8	-18.0
Unemployment Rate	3.3	4.2		3.4	4.3	
<b>NONAGRICULTURAL EMPLOYMENT (Thousands)</b>	<b>1,191.2</b>	<b>1,139.5</b>	<b>4.5</b>	<b>1,189.4</b>	<b>1,138.6</b>	<b>4.5</b>
<b>GOODS PRODUCING</b>	<b>222.0</b>	<b>205.7</b>	<b>7.9</b>	<b>218.6</b>	<b>202.6</b>	<b>7.9</b>
<b>Natural Resources, and Mining</b>	<b>9.8</b>	<b>8.4</b>	<b>17.3</b>	<b>9.6</b>	<b>8.2</b>	<b>17.2</b>
<b>Construction</b>	<b>92.4</b>	<b>80.6</b>	<b>14.6</b>	<b>89.8</b>	<b>78.2</b>	<b>14.9</b>
Construction of Buildings	20.9	17.7	18.2	20.3	17.1	18.7
Heavy and Civil Engineering	8.9	8.2	7.8	8.4	7.8	
Specialty Trade Contractors	62.6	54.7	14.5	61.1	53.2	14.7
<b>Manufacturing</b>	<b>119.8</b>	<b>116.7</b>	<b>2.6</b>	<b>119.2</b>	<b>116.2</b>	<b>2.6</b>
<b>Durable Goods</b>	<b>80.7</b>	<b>78.4</b>	<b>2.9</b>	<b>80.1</b>	<b>77.9</b>	<b>2.9</b>
Primary and Fabricated Metals	15.7	14.7	7.2	15.5	15.0	3.5
Computer and Electronic Products	11.0	10.9	1.7	11.0	10.9	0.7
Transportation and Equipment Manufacturing	14.5	14.4	0.9	14.4	14.3	0.9
<b>Non-Durable Goods</b>	<b>39.1</b>	<b>38.3</b>	<b>2.0</b>	<b>39.0</b>	<b>38.3</b>	<b>1.9</b>
Food Manufacturing	13.0	13.2	-1.5	13.0	13.2	-1.9
Printing and Related Support Activities	6.7	6.7	-0.9	6.7	6.7	-0.5
<b>SERVICES PROVIDING</b>	<b>969.2</b>	<b>933.7</b>	<b>3.8</b>	<b>970.8</b>	<b>936.1</b>	<b>3.7</b>
<b>Trade, Transportation, and Utilities</b>	<b>230.5</b>	<b>222.9</b>	<b>3.4</b>	<b>229.5</b>	<b>221.9</b>	<b>3.4</b>
<b>Wholesale Trade</b>	<b>45.2</b>	<b>43.0</b>	<b>5.0</b>	<b>44.8</b>	<b>42.5</b>	<b>5.4</b>
<b>Retail Trade</b>	<b>136.1</b>	<b>132.9</b>	<b>2.4</b>	<b>135.6</b>	<b>132.4</b>	<b>2.4</b>
Motor Vehicle and Parts Dealers	17.7	17.0	4.2	17.6	16.9	4.4
Food and Beverage Stores	22.5	22.0	2.5	22.4	21.9	2.1
General Merchandise Stores	25.7	25.6	0.4	25.7	25.7	0.0
<b>Transportation and Utilities</b>	<b>49.2</b>	<b>46.9</b>	<b>4.9</b>	<b>49.1</b>	<b>47.0</b>	<b>4.5</b>
Utilities	4.0	3.8	6.1	4.0	4.0	1.5
Transportation & Warehousing	45.2	43.1	4.8	45.1	43.0	4.8
Air Transportation	6.8	6.8	0.0	6.8	6.8	0.0
Truck Transportation	17.8	17.5	1.8	17.6	17.3	1.6
<b>Information</b>	<b>33.1</b>	<b>31.8</b>	<b>4.2</b>	<b>32.9</b>	<b>31.6</b>	<b>4.2</b>
Publishing Industries	9.5	9.1	4.3	9.5	9.1	4.0
Motion Picture and Sound Recording	4.7	4.5	3.7	4.6	4.3	6.1
Telecommunications	5.8	5.8	-0.3	5.8	5.8	0.1
Internet Service Providers	8.3	7.8	5.9	8.3	7.8	5.3
<b>Financial Activities</b>	<b>70.4</b>	<b>66.8</b>	<b>5.5</b>	<b>70.1</b>	<b>66.8</b>	<b>5.0</b>
Finance and Insurance	53.0	50.7	4.6	52.7	50.5	4.3
Real Estate and Rental and Leasing	17.4	16.1	8.1	17.4	16.3	7.1
<b>Professional and Business Services</b>	<b>157.2</b>	<b>145.6</b>	<b>8.0</b>	<b>154.8</b>	<b>143.6</b>	<b>7.8</b>
Professional, Scientific, and Technical Services	60.2	54.4	10.8	59.8	54.7	9.3
Architectural, Engineering, and Related	11.4	10.6	7.7	11.1	10.3	7.5
Computer Systems Design and Related	13.7	11.9	15.0	13.4	11.8	14.4
Management of Companies and Enterprises	21.1	20.9	1.1	20.9	20.8	0.7
Administration & Support						
& Waste Management & Remediation	75.9	70.4	7.8	74.1	68.1	8.7
Employment Services	25.9	20.9	23.9	24.9	20.1	23.9
Business Support Services	17.3	17.6	-1.8	17.2	17.6	-2.1
<b>Education and Health Services</b>	<b>130.5</b>	<b>125.3</b>	<b>4.2</b>	<b>134.7</b>	<b>129.3</b>	<b>4.2</b>
Educational Services	26.9	25.8	4.5	31.6	30.2	4.6
Health Services and Social Assistance	103.6	99.5	4.1	103.1	99.1	4.1
Ambulatory Health Care Services	39.4	37.7	4.7	39.3	37.6	4.6
Hospitals	29.8	28.9	3.2	29.7	28.8	3.2
Nursing and Residential Care Facilities	19.3	18.6	3.6	19.2	18.5	3.8
Social Assistance	15.1	14.4	4.8	14.9	14.2	4.8
<b>Leisure and Hospitality</b>	<b>105.6</b>	<b>103.2</b>	<b>2.3</b>	<b>106.0</b>	<b>103.8</b>	<b>2.2</b>
Arts, Entertainment, and Recreation	16.1	15.5	3.4	16.7	16.1	3.7
Accommodation and Food Services	89.5	87.7	2.1	89.3	87.6	1.9
Accommodation	16.7	16.5	1.2	17.2	17.1	0.6
Food Services and Drinking Places	72.8	71.2	2.3	72.1	70.5	2.2
<b>Other Services</b>	<b>34.0</b>	<b>33.2</b>	<b>2.6</b>	<b>33.9</b>	<b>33.1</b>	<b>2.6</b>
<b>Government</b>	<b>207.8</b>	<b>205.0</b>	<b>1.4</b>	<b>208.9</b>	<b>206.0</b>	<b>1.4</b>
<b>Federal Government</b>	<b>36.2</b>	<b>35.5</b>	<b>2.0</b>	<b>35.7</b>	<b>35.0</b>	<b>2.0</b>
Federal Defense	16.5	16.2	1.7	16.4	16.1	1.7
Other Federal Government	19.7	19.3	2.2	19.3	18.9	2.2
<b>State Government</b>	<b>60.8</b>	<b>60.1</b>	<b>1.2</b>	<b>64.2</b>	<b>63.4</b>	<b>1.2</b>
State Schools	32.6	32.1	1.6	36.0	35.4	1.6
Other State Government	28.2	27.9	0.8	28.2	27.9	0.8
<b>Local Government</b>	<b>110.8</b>	<b>109.4</b>	<b>1.3</b>	<b>109.0</b>	<b>107.6</b>	<b>1.3</b>
Local Education	64.6	64.0	1.0	64.4	63.7	1.0
Other Local Government	46.2	45.4	1.6	44.6	43.9	1.6

Source: Utah Department of Workforce Services f = forecast r = revised June 13, 2006

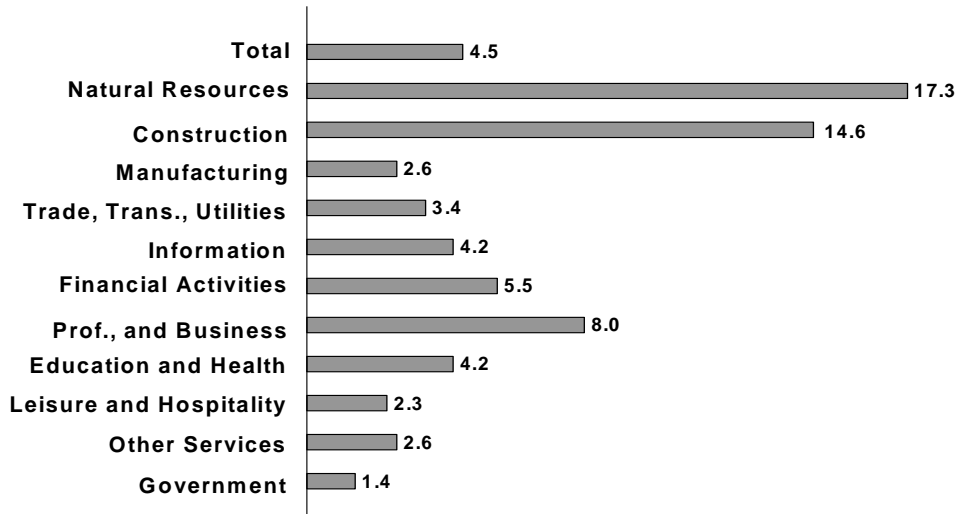
## Year-Over Percent Change in Nonfarm Jobs



## Seasonally Adjusted Unemployment Rates

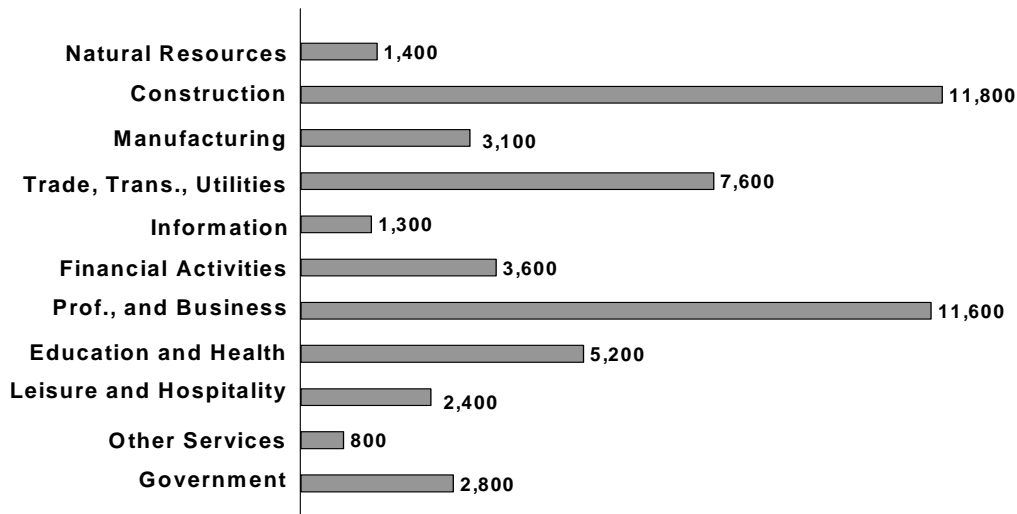


## Utah Nonfarm Job Growth (Percent Change) May 2005 – 2006



Source: Utah Department of Workforce Services

## Utah Nonfarm Job Growth (Numeric Change) May 2005 – 2006



Source: Utah Department of Workforce Services

## NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	May 2006(f)	May 2005	Percent Change	April 2006(r)	March 2006(r)
<b>State Total</b>	1,191,240	1,140,061	4.5	1,189,390	1,176,022
<b>Bear River</b>	68,512	66,091	3.7	68,370	67,299
Box Elder	20,015	18,945	5.6	19,932	19,206
Cache	47,880	46,506	3.0	47,900	47,572
Rich	617	640	-3.6	537	521
<b>Wasatch Front</b>	782,969	752,982	4.0	778,771	770,312
<b>North</b>	193,291	188,655	2.5	191,403	189,097
Davis	100,210	96,544	3.8	98,299	96,675
Morgan	1,949	1,941	0.4	1,876	1,814
Weber	91,132	90,170	1.1	91,228	90,608
<b>South</b>	589,678	564,327	4.5	587,368	581,215
Salt Lake	574,597	550,253	4.4	572,510	566,574
Tooele	15,081	14,074	7.2	14,858	14,641
<b>Mountainland</b>	196,740	187,454	5.0	201,260	201,725
Summit	18,228	16,726	9.0	20,044	22,397
Utah	172,090	164,921	4.3	175,025	173,273
Wasatch	6,422	5,807	10.6	6,191	6,055
<b>Central</b>	23,914	23,094	3.5	23,595	23,013
Juab	3,278	3,128	4.8	3,205	3,110
Millard	4,083	3,953	3.3	3,972	3,903
Piute	297	331	-10.4	275	277
Sanpete	7,344	7,056	4.1	7,382	7,275
Sevier	7,792	7,576	2.8	7,727	7,492
Wayne	1,120	1,050	6.7	1,034	956
<b>Southwestern</b>	75,816	70,476	7.6	75,062	73,168
Beaver	2,058	1,975	4.2	1,997	1,968
Garfield	2,445	2,426	0.8	2,250	1,856
Iron	16,918	15,856	6.7	17,060	16,786
Kane	3,130	2,955	5.9	2,889	2,681
Washington	51,264	47,264	8.5	50,866	49,876
<b>Uintah Basin</b>	20,211	18,284	10.5	19,814	18,890
Daggett	533	501	6.3	465	384
Duchesne	6,483	5,884	10.2	6,324	6,112
Uintah	13,195	11,899	10.9	13,024	12,395
<b>Southeastern</b>	23,079	21,680	6.5	22,519	21,615
Carbon	9,676	8,990	7.6	9,580	9,377
Emery	4,069	3,881	4.8	3,990	3,800
Grand	5,215	4,735	10.1	4,972	4,636
San Juan	4,120	4,074	1.1	3,978	3,802

f = forecast r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 6/13/06